

Report of: Deborah Chapman, Assistant Head of Business Administration

Report to: Helena Phillips, Chief Officer Shared Services

Date: 14 February 2017

Subject: Business Taxis Contract

Are specific electoral Wards affected? If relevant, name(s) of Ward(s):	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, Access to Information Procedure Rule number: Appendix number:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. The council currently has a no formal contract in place for the provision of a taxi service to transport staff on business related journeys, the previous contract expired in February 2012. Work is being undertaken separately to encourage staff to consider options other than taxi for business travel such as corporate metro cards and around the reduction of carbon emissions caused by staff travel, thereby encouraging the use of technology such as conference calling rather than attending meetings in person.
2. The Council has awarded a contract for business travel (rail & tube, coach & bus, air and hotel & accommodation) in March 2015. This means that this is the only area with regard to business travel that is not covered by a contract.
3. Currently approx. 10,000 taxis are booked by LCC for staff use; these range from Access to Work journeys or staff requiring taxis for appointments. The current spend is approx. £150k per annum.
4. Leeds Teaching Hospital Trust are currently tendering for the supply of one Taxi Operator to provide taxis and Private hire throughout the Leeds District for staff, patients, goods and approved passengers. Leeds City Council wish to utilise this contract and in doing so realise cashable savings through a competitive mileage rate and invest in a more stream line electronic booking process.

Recommendations

5. The Chief Officer, Shared Services is recommended to approve the Council undertake a tendering process in conjunction with LTHT (Leeds Teaching Hospital Trust) and to seek permission to access the non-approved framework agreement once in place for the supply of business taxis to the authority and to award that contract to the successful bidder.
6. The contract will run for a period of three years with the option to extend for a further 2 x 12 month periods.

1 Purpose of this report

- 1.1 The purpose of this report is to obtain approval from the Chief Officer for Shared Services to support the procurement of a licensed Hackney Carriage (Taxi) or Private hire service, to transport staff from both Leeds Teaching Hospital Trust (LTHT) and Leeds City Council (LCC) as well as clients, patients and approved passengers and goods, as and when required.
- 1.2 All other transport undertaken by the authority is currently covered by a contract;
- Passenger transportation, and
 - Business Travel e.g. rail & tube, coach & bus, air and hotel & accommodation

2 Background information

- 2.1 The procurement is to establish a contract for the provision of transportation via Private Hire Vehicles or licensed Hackney Carriage (Taxi), and as required on occasion vehicles with wheelchair capability and small (8 passenger seat) minibuses to transport Leeds City Council staff, Clients and others engaged on Council business to and from various establishments throughout the day.
- 2.2 Journeys by taxi should only be taken in exceptional circumstances where;
- It is necessary to prevent an employee being placed at personal risk, for example an officer travelling home alone after dark and/or what might be considered a “high risk” area in order to attend or return from meetings in connection with carrying out Council business,
 - There is no reasonable public transport available (it is in an inaccessible location), or
 - It is cheaper and more efficient than travelling on public transport
- 2.3 The aim of having a contract to provide private hire and hackney carriage transport for Leeds City Council is to ensure that the costs on this mode of transportation are controlled and usage more easily audited to manage expenditure.
- 2.4 The procurement process will link in with other Corporate Plans and Priorities, see section 4.3 for more detail, namely;
- [The Corporate Travel Plan](#),
 - [West Yorkshire Local Transport Plan 2011-2026](#), and
 - [Carbon and Water Management Plan 2011-2021](#).
- 2.5 The council has committed to reduce carbon by 40% by 2020. To achieve this ambition a Low Carbon Leeds has been established as a “Breakthrough Project”.

This means that we'll focus our resources to work together with partners and communities across the city to deliver the various energy savings projects and make Leeds a fully sustainable city by the middle of the century. As part of this "Breakthrough Project" this procurement will look to encourage Hackney Carriage and Private Hire companies to move towards vehicles that improve air quality and reduce carbon emissions in the city.

- 2.6 Expenditure for the last financial year on the taxi financial code has totalled £188.4k in 2015/2016 This includes spend on access to work and dignatory transportation as well as staff taxis. The table below indicates where this expenditure has occurred.

Staff Taxis 2015/16

Organisation	FMS	P Cards	Total
AB (Garforth)	£6,605.00		£6,605.00
Amber Cars	£6,764.50	£126,417.80	£133,182.30
Club Cars	£1,903.20		£1,903.20
Easy Travel	£793.70	£7,201.61	£7,995.31
Hunslet Cars	£4,827.00		£4,827.00
Leeds Taxi Owners	£28,725.95		£28,725.95
Shiny Sky	£2,419.40		£2,419.40
Wheels Private Hire	£2,806.60		£2,806.60
Grand Total			£188,464.76

- 2.7 It is proposed that the tender goes out in the name of LTHT and the contract managed by LTHT. LCC will however, be involved in the tender process to ensure all our requirements are met.

- 2.8 The tender documents will be developed and led by LTHT using their documentation.

3 Main issues

- 3.1 There is no contract for the supply of business taxis and therefore spend in this area at the moment will be off contract. By bringing this element of staff travel onto contract will allow the Council to manage this area of spend.

- 3.2 Value for money is important but the quality of service is also important e.g. ensuring the Contractor will also comply with all relevant legislation, regulations and statutes, and all drivers and vehicles comply with legislation as well as LCC's policies and procedures. The scoring will be split 60/40 between quality and price respectively.

3.3 Access to work

- 3.3.1 Under the Equality Act 2010, public bodies have a duty to make reasonable adjustments for employees with disabilities or impairments, such as support workers, travel arrangements, equipment and adaptations.
- 3.3.2 If an employee is considered disabled they are able to apply for Access to Work. It does not matter whether they work full-time, part-time, permanent or temporary.
- 3.3.3 Access to Work does not replace the Council's normal responsibilities to provide reasonable adjustments. The scheme does provide practical help for employees and their managers, and offers grants to help towards any support, aids, equipment or adaptations employees may require.
- 3.3.4 If public transport or travel buddies are not an option and there is a requirement for taxis for travelling to, from or in work, an arrangement can be made where Access to Work contribute up 80% of the cost with the Council generally paying the remaining 20%. It is the responsibility of the employee to apply for and organise their taxis to and from work.
- 3.3.5 There will always be a requirement to provide a taxi service for staff who require support with regard to their travel arrangements either to and from the workplace or between different workplace locations whilst undertaking their duties. As some of these journeys are made on a regular basis, especially between home and work, then the tender will look at obtaining a discounted rate for the Access to Work journeys.
- 3.3.6 As part of this contract work will be undertaken to establish current rates being paid for Access to Work journeys as there appears to be no central record maintaining this information, therefore savings may be also achieved by centralising the process and service as currently it is dealt with on an individual and service by service basis.

3.4 Reducing Carbon Emissions

- 3.4.1 The Leeds Climate Change Strategy highlights the fact that approximately one third of carbon emissions in Leeds come from transport related sources. The Council has signed up to a target to reduce carbon emissions by 40% by 2020.
- 3.4.2 A study carried out by the Energy Saving Trust (EST) in 2016 into the feasibility of an OLEV taxi scheme suggested that across West Yorkshire there is a high interest amongst taxi drivers to switch to either a pure electric (59% of those surveyed) or plug-in hybrid (63% of those surveyed). The EST study highlighted that of the 10,126 licensed private hire vehicles in West Yorkshire, only 9 were euro 6 therefore the majority of drivers would have to pay a fee to enter the CAZ unless they change their vehicle before its introduction.
- 3.4.3 The Cleaner Road Transport Vehicles Regulations (2011) requires public contracting authorities to consider the wider impacts of energy use and environmental pollution. One measure that authorities can take to pro-actively mitigate environmental damage by road transport sources is to give a higher

weight to prospective contractors that operate ULEV or would use them exclusively to fulfil the contract. This is also a measure recommended in the EST study whereby Leeds City Council could include criteria in its TPH contract tenders as a means of encouraging taxi operators to utilise ULEV in order to secure the contract.

- 3.4.4 Leeds City Council has been mandated to introduce a Clean Air Zone (CAZ) by 2020 to improve air quality in areas where there are breaches of national limits of nitrogen dioxides. Taxi and private hire vehicles that do not meet euro 6 standard for diesel or euro 4 for petrol wishing to enter the CAZ will have to pay fee. Leeds City Council seeks to increase the uptake of ultra-low emission vehicles (ULEV) vehicles by providing charging infrastructure and incentivising use by offering free parking and use of charging points.
- 3.4.5 Public health issues are a real and ongoing problem that local authorities need to tackle; an estimated 350 people die annually in the city prematurely with many more adversely affected due to air quality and pollution related health conditions. Whilst it is acknowledged that the Council is limited in what it can achieve with the general public, we do have levers that can be utilised to influence other sectors. Both bus and taxi operators are largely using diesel fuelled fleets and areas in which we have air quality concerns are disproportionately affected by these fleets.
- 3.4.6 To link in with the Low Emission Strategy the procurement exercise will incorporate an emphasis on organisations that are looking to reduce emissions by investing in a low and zero emission fleet.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.7 Consultation and engagement has taken place with;
- The Head of Business Administration
 - The Head of Service Passenger Transport – to learn from the procurement process for passenger transport specifically schools.
 - The Head of Taxi and Private Hiring Licensing – for background information in relation to this area of Council Business bearing in mind the specification will have the caveat that companies and drivers will need to be licenced through Leeds City Council. To ensure that feedback with regard performance is fed into any training programme this section are developing.
 - Low Carbon Programme – Linking in with “Breakthrough Project”, reducing fuel bills and setting a revised 2050 carbon target.
 - The Disabled Staff Network – to ensure that the requirements of all staff are taken into consideration with the award of the contract.
 - Equality Unit – regarding previous feedback received concerning staff who are unable to access public transport experiences with regard to the hiring of

taxis to get them to specific meetings, their primary concerns with the availability of adapted taxis and especially the number certain suppliers have access to.

- A supplier engagement session is planned for March with Taxi and Private hire providers who may be interested in the contract.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 The procurement of a business taxi contract does not present any equality and diversity issues however the tender document contains sections to ensure that the successful tenderer is able to provide a service for all staff employed by the Council.

4.3 Council policies and City Priorities

4.3.1 The areas that this procurement exercise will address within the Best Council Plan 2015-2020 are;

- Achieve the savings and efficiencies required to continue to deliver front line service.
- Becoming a more efficient and enterprising Council.

4.3.2 Strategic Projects

- Low carbon in 7 breakthrough projects

4.3.3 West Yorkshire Local Transport Plan

- To make substantial progress towards a low carbon, sustainable transport system for West Yorkshire, while recognising transport's contribution to national carbon reduction plans.

4.3.4 Carbon and Water Management Plan

- To reduce CO2 emissions by a minimum of 40% by April 2021

4.4 Resources and value for money

4.4.1 The exercise will demonstrate value for money by procuring in conjunction with LTHT and ensuring all expenditure is on contract.

4.4.2 LTHT has a number of 'Taxi' free phones on its premises which generate income via an annual payment to LTHT. From 2018 LCC will have a refurbished Merrion House which will have the majority of public enquiries, therefore footfall from the public will be significant, LCC may therefore wish to explore the option of a Freephone with a view to generating additional income via this contract.

4.4.3 The resources for this procurement process will be supplied by the Public Private Partnerships Unit and Procurement Unit.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 The Chief Procurement Officer has advised that permission to use a non-approved framework is now made direct to the Relevant Chief Officer. Thus, there is no longer a requirement to seek the comments of the Procurement Unit and Internal Audit before submitting the report to the relevant Chief Officer (CPR 3.1.8).
- 4.5.2 This decision is not a Key Decision and is therefore not subject to Call In.

4.6 Risk Management

- 4.6.3 The Project Manager will establish a risk register and this will be managed throughout the lifetime of the project by the Project Manager and Head of Business Administration. The key risks at present are;
- If there is no contract for the supply of business taxis all costs are off contract and cannot be controlled by the Council.

5 Conclusions

- 5.1 This project has a synergy with the objectives of Leeds City Council and the Best Council Plan 2015/2020.

6 Recommendations

- 6.1 The Chief Officer, Shared Services is recommended to approve the Council undertake a tendering process in conjunction with LTHT and to seek permission to access a non-approved framework once in place for the supply of business taxis to the authority and to award that contract to the successful bidder. The contract will run for a period of three years with the option to extend for a further 2 x 12 month periods.

7 Background documents¹

- 7.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.